

**NEWMAN CENTER OF OSHKOSH, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2020 AND 2019**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Newman Center of Oshkosh, Inc.  
Green Bay, Wisconsin

We have audited the accompanying financial statements of Newman Center of Oshkosh, Inc. (a Wisconsin corporation), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
Newman Center of Oshkosh, Inc.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Newman Center of Oshkosh, Inc. as of June 30, 2020 and 2019, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Oshkosh, Wisconsin  
September 16, 2020

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
<b>ASSETS</b>		
Interest in Cash	\$ 94,686	\$ 56,190
Investments	8,354	8,236
Accounts Receivable	21,890	14,449
Prepaid Expenses	3,400	5,030
Property and Equipment, Net	814,331	831,133
Total Assets	\$ 942,661	\$ 915,038
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 3,633	\$ 3,948
Refundable Advance	19,800	-
Total Liabilities	23,433	3,948
<b>NET ASSETS</b>		
Without Donor Restrictions	878,018	883,421
With Donor Restrictions	41,210	27,669
Total Net Assets	919,228	911,090
Total Liabilities and Net Assets	\$ 942,661	\$ 915,038

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>			
Bishop's Appeal Grant	\$ 211,908	\$ -	\$ 211,908
Contributions	26,731	25,374	52,105
Other	6,589	-	6,589
Net Assets Released from Restrictions	11,833	(11,833)	-
Total Revenues and Support	<u>257,061</u>	<u>13,541</u>	<u>270,602</u>
<b>EXPENSES</b>			
Salaries and Wages	75,751	-	75,751
Personnel Expenses	35,095	-	35,095
Purchased Services	92,707	-	92,707
Facilities, Buildings, and Grounds	35,802	-	35,802
Office	9,390	-	9,390
Other	13,719	-	13,719
Total Expenses	<u>262,464</u>	<u>-</u>	<u>262,464</u>
<b>CHANGE IN NET ASSETS</b>	(5,403)	13,541	8,138
Net Assets - Beginning of Year	<u>883,421</u>	<u>27,669</u>	<u>911,090</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 878,018</u>	<u>\$ 41,210</u>	<u>\$ 919,228</u>

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT</b>			
Bishop's Appeal Grant	\$ 178,928	\$ -	\$ 178,928
Contributions	32,679	19,234	51,913
Other	8,204	-	8,204
Net Assets Released from Restrictions	22,759	(22,759)	-
Total Revenues and Support	242,570	(3,525)	239,045
 <b>EXPENSES</b>			
Salaries and Wages	74,639	-	74,639
Personnel Expenses	30,966	-	30,966
Purchased Services	105,343	-	105,343
Facilities, Buildings, and Grounds	44,492	-	44,492
Office	12,210	-	12,210
Other	15,874	-	15,874
Total Expenses	283,524	-	283,524
 <b>CHANGE IN NET ASSETS</b>	(40,954)	(3,525)	(44,479)
 Net Assets - Beginning of Year	924,375	31,194	955,569
 <b>NET ASSETS - END OF YEAR</b>	\$ 883,421	\$ 27,669	\$ 911,090

See accompanying Notes to Financial Statements.

**NEWMAN CENTER OF OSHKOSH, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Contributors	\$ 270,484	\$ 238,878
Cash Paid to Suppliers	(140,463)	(182,038)
Cash Paid to and on Behalf of Employees	(111,325)	(105,028)
Net Cash Flows from Operating Activities	18,696	(48,188)
 <b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Proceeds from Refundable Advance	19,800	-
 <b>NET CHANGE IN INTEREST IN CASH</b>	38,496	(48,188)
 Interest in Cash - Beginning of Year	56,190	104,378
 <b>INTEREST IN CASH - END OF YEAR</b>	\$ 94,686	\$ 56,190
 <b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 8,138	\$ (44,479)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	16,802	16,802
Investment Return	(118)	(167)
Changes in Certain Assets and Liabilities:		
Prepaid Expenses	1,630	(5,030)
Accounts Receivable	(7,441)	(14,449)
Accounts Payable and Accrued Expenses	(315)	(865)
Net Cash Flows from Operating Activities	\$ 18,696	\$ (48,188)
 <b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Interest Reinvested Directly Back into Investment Funds	\$ 118	\$ 167

See accompanying Notes to Financial Statements.



**NEWMAN CENTER OF OSHKOSH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Newman Center of Oshkosh, Inc. (Newman Center) is a nonprofit corporation organized under the laws of the state of Wisconsin for the purpose of providing spiritual direction to the community in and around University of Wisconsin — Oshkosh.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions**

Net assets available for use in general operation and not subject to donor (or certain grantor) restrictions.

**Net Assets With Donor Restrictions**

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Interest in Cash**

Newman Center participates in a pooled cash account with an interdiocesan entity. This account sweeps daily to a zero balance. The total of the pooled cash account, at times, may exceed federally insured limits. Newman Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

**Investments**

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Investment income or loss and unrealized gains or losses are included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

**NEWMAN CENTER OF OSHKOSH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Property and Equipment**

Property and equipment are stated at cost, if purchased or fair market value at date of the gift, if donated. All acquisitions of property in excess of \$5,000 and equipment in excess of \$1,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Property and equipment are depreciated using the straight-line method over their estimated useful lives.

Land Improvements	20 Years
Building and Improvements	40 Years
Furniture and Equipment	4 to 10 Years

**Impairment of Long-Lived Assets**

Newman Center reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

**Refundable Advance**

Newman Center received proceeds from the Small Business Administration's Paycheck Protection Program during 2020. Management expects that the substantial portion of the proceeds will be treated as a contribution once certain barriers are completed. Management has determined barriers for the recognition of these funds to be maintenance of FTEs, incurrence of allowable costs as defined under the program, and submission and approval of forgiveness application to obtain full or partial forgiveness. Management expects those barriers to be met during the coming year. Because these barriers have not been met as of June 30, 2020, an advance payment of \$19,800 has been recognized in the statements of financial position as a refundable advance.

**NEWMAN CENTER OF OSHKOSH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Contribution Recognition**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Newman Center.

In connection with its annual budget process, Newman Center is made aware of an estimated grant for its support from The Catholic Foundation for the Diocese of Green Bay, Inc. (the Foundation). Management does not consider this estimated grant as an unconditional promise to pay by the Foundation. The grant is recorded as revenue in the year in which it is actually received.

**Tax-Exempt Status**

Newman Center has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) covered by the Internal Revenue Service group exemption letter of the United States Conference of Catholic Bishops and corresponding provisions of state law and, accordingly, is not subject to federal or state income taxes.

**Subsequent Events**

In preparing these financial statements, Newman Center has evaluated events and transactions for potential recognition or disclosure through September 16, 2020, the date the financial statements were available to be issued.

**NOTE 2 ACCOUNTING STANDARDS UPDATES**

In June 2018, the FASB issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made.

Newman Center's financial statements reflect the full retrospective adoption of ASU 2018-08 beginning in 2019. No cumulative-effect adjustment in net assets was recorded because the adoption of ASU 2018-08 did not significantly impact Newman Center's reported historical revenue.

**NEWMAN CENTER OF OSHKOSH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 3 LIQUIDITY AND AVAILABILITY**

Newman Center regularly monitors liquidity required to meet its operating needs, liabilities, and other obligations as they become due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

	<u>2020</u>	<u>2019</u>
Interest in Cash	\$ 94,686	\$ 56,190
Investments	8,354	8,236
Accounts Receivable	21,890	14,449
Total	<u>124,930</u>	<u>78,875</u>
Less: Donor Restricted Net Assets	<u>(41,210)</u>	<u>(27,669)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 83,720</u>	<u>\$ 51,206</u>

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Land and Improvements	\$ 347,524	\$ 347,524
Buildings and Improvements	650,583	650,583
Furniture and Equipment	12,673	12,673
Total at Cost	<u>1,010,780</u>	<u>1,010,780</u>
Less: Accumulated Depreciation	<u>(196,449)</u>	<u>(179,647)</u>
Property and Equipment, Net	<u>\$ 814,331</u>	<u>\$ 831,133</u>

Depreciation expense of \$16,802 was recorded on the statements of activities in facilities, buildings, and grounds for the years ended June 30, 2020 and 2019.

**NEWMAN CENTER OF OSHKOSH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 5 FUNCTIONAL CLASSIFICATION OF EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include facilities, buildings, and grounds, which are allocated on a square footage basis, while the remaining natural expense categories are allocated on the basis of estimates of time and effort.

Expenses by function for the years ended June 30 are as follows:

	2020		
	Program Services	Management and General	Total
Salaries and Wages	\$ 75,751	\$ -	\$ 75,751
Personnel Expenses	35,095	-	35,095
Purchased Services	83,863	8,844	92,707
Maintenance	14,831	-	14,831
Depreciation	16,802	-	16,802
Other Facilities, Buildings, and Grounds	4,169	-	4,169
Office	9,390	-	9,390
Other	13,719	-	13,719
Total Expenses by Function	<u>\$ 253,620</u>	<u>\$ 8,844</u>	<u>\$ 262,464</u>

	2019		
	Program Services	Management and General	Total
Salaries and Wages	\$ 74,639	\$ -	\$ 74,639
Personnel Expenses	30,966	-	30,966
Purchased Services	93,475	11,868	105,343
Maintenance	22,417	-	22,417
Depreciation	16,802	-	16,802
Other Facilities, Buildings, and Grounds	5,273	-	5,273
Office	12,210	-	12,210
Other	15,874	-	15,874
Total Expenses by Function	<u>\$ 271,656</u>	<u>\$ 11,868</u>	<u>\$ 283,524</u>

**NOTE 6 RETIREMENT PLAN**

Newman Center participates in the Catholic Diocese of Green Bay Employees' Retirement Plan. The defined contribution retirement plan covers most lay employees. The vesting period of the Plan is six months. Contributions are 9% of an employee's wages and are made each pay period. Retirement plan expense for the years ended June 30, 2020 and 2019 was \$7,313 and \$6,926, respectively.

**NEWMAN CENTER OF OSHKOSH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 7 RISKS AND UNCERTAINTIES**

On March 11, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to Newman Center, COVID-19 may impact various parts of its 2021 operations and financial results, including contributions. Management believes Newman Center is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**NOTE 8 INTERDIOCESAN TRANSACTIONS**

Newman Center was a party to various transactions with other diocesan corporations during the years ended June 30, 2020 and 2019. Total revenues and support from other diocesan corporations, in the form of grants, was \$238,798 and \$186,728 for the years ended June 30, 2020 and 2019, respectively. The revenues from other diocesan corporations constitute a substantial portion of Newman Center's total revenues for the years ending June 30, 2020 and 2019. Total expenses paid to other diocesan corporations were \$39,118 and \$42,263 for the years ended June 30, 2020 and 2019, respectively, and related to administrative and support services.

**NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specified Purpose:		
Building Fund	\$ 7,276	\$ 7,183
Appliance Purchase Fund	27	27
Housing Fund	223	223
Music Equipment, Fall Retreat, Misc. Fund	18,434	3,753
Welcome Week Fund	3,791	3,790
Christ Life Program Fund	-	1,234
FOCUS	424	424
Titans Against Hunger	1,260	1,260
Evangelization Events	8,768	8,768
Liturgical Purposes	1,007	1,007
Total Net Assets with Donor Restrictions	<u>\$ 41,210</u>	<u>\$ 27,669</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Satisfaction of Purpose Restrictions:		
Programs and Initiatives	<u>\$ 11,833</u>	<u>\$ 22,759</u>